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**BACKGROUND ON**

# **U.S. agriculture**

Leaflet No. 491

U.S. Department of Agriculture

# U.S. Agriculture

American agriculture has advanced more in the past 50 years than in all the prior years of our history. Modern farming and ranching, combined with a progressive system of marketing, processing, and merchandising, provide:

Abundant, wholesome food when, where, and how we want it.

Farm products with new qualities for home and industry.

The foundation for continuing agricultural progress, which reaches from farm to market to home or industry, is research and the hard work and ingenuity of farmers and ranchers.

Research by Government and industry is constantly improving plants and animals, providing better management of soil and water, finding new uses for farm products, and devising new and better methods of marketing, transporting, storing, and merchandising farm products. Educational services quickly carry the new knowledge to farmers and others who put it to use.

## What Is Modern Farming?

### The Nation's Biggest Industry

Farming employs 4.5 million workers — almost as many as the combined employment in transportation, the steel industry, and the automobile industry.

Agriculture's assets total \$335 billion, equal to:

About three-fifths of the value of capital assets of all corporations in the United States, or

About half the market value of all corporation stocks on the New York Stock Exchange.

The value of agriculture's production assets represents about \$56,300 for each farm worker, or \$96,500 per farm.

### 3 Million Producers

This biggest of the Nation's industries is composed of nearly 3 million independent producers. In 1970:

1,184,000 farms (40 percent of all farms) sold less than \$2,500 worth of farm products per farm.

260,000 (9 percent) sold farm products worth \$2,500 to \$4,999.

370,000 (13 percent) sold farm products worth \$5,000 to \$9,999.

1,110,000 (38 percent) sold farm products worth more than \$10,000.

223,000 farms in 1970 had sales of farm products totaling more than \$40,000.

### A Good Customer

Farm operator families spend about \$43 billion a year for goods and services to produce crops and livestock. In addition, they have available \$15.7 billion of realized net income from farm sources and \$17.8 billion from off-farm sources to spend for personal taxes, investments and for the same things that city people buy.

Each year farmers' purchases include:

\$5.2 billion in new farm tractors and other motor vehicles, machinery, and equipment. It takes 119,000 employees to produce this farm equipment.

\$4.4 billion for fuel, lubricants, and maintenance of machinery and motor vehicles. Farming uses more petroleum than any other single industry.

\$7.8 billion for feed and seed.

\$2.1 billion for fertilizer and lime; and farmers use more each year.

Products containing 360 million pounds of rubber — about 5 percent of the total used in the United States, or enough to



put tires on nearly 7 million automobiles.

33 billion kw.- hrs. electricity — or about 2½ percent of the Nation's total, or more than the annual residential use in all the New England States plus Maryland, Kentucky and Washington, D.C.  
6½ million tons of steel in the form of farm machinery, trucks, cars, fencing, and building materials. Farm use of steel accounts for 40,000 jobs in the steel industry.

### A Creator of Employment

One out of every 5 jobs in private employment is related to agriculture.

Two million people have jobs providing the supplies farmers use for production.

Eight to 10 million people have jobs storing, transporting, processing, and merchandising the products of agriculture.

Here are a few examples from the 1969 Annual Survey of Manufacturers:

Meat and poultry, including meatpacking, prepared meats, and poultry dressing plants — 310,800 employees and a payroll of over \$2 billion.

Dairy, including fluid milk, concentrated and dried milk, natural cheese, creamery butter, ice cream, and special dairy products — 212,800 employees and a payroll of more than \$1.4 billion.

Baking, including bread and related products and biscuits and crackers — 267,900 employees and a payroll of nearly \$1.8 billion.

Fruits and vegetables, canned, frozen, and processed as pickles and sauces — 233,100 employees and a payroll of \$1½ billion.

Cotton weaving mills and finishing plants — 198,400 employees and a payroll of over 2 billion dollars.

### An Efficient, Progressive Industry

One hour of farm labor produces over seven times as much food and other crops as it did in 1919-21.

One farmworker produces food, fiber, and other farm commodities for himself and 48

others. Of course each farmworker is backed up by several off-farm workers producing machinery, fuel, fertilizer, and other farm supplies.

Crop production per acre has almost doubled during the past 50 years.

### A Taxpayer

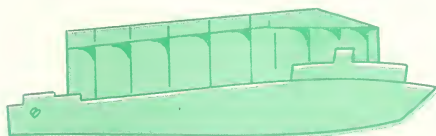
In 1970:

Farm real estate taxes totaled \$2.5 billion.

Tax on personal property on farms was about \$450 million

Federal and State income taxes paid by the farm population amounted to about \$2.5 billion.

Sales taxes totaled about \$350 million.



### Food Supplier to the World

The United States is the world's largest exporter of agricultural products.

One out of every four harvested acres produces for export. Soybeans, wheat, and feed-grains, or their products are the principal farm exports.

Farm products exported in 1971 amounted to \$7.7 billion, or 19 percent of our total exports. The value of our farm exports since World War II has passed the \$120 billion mark.

### Abundance Works for Peace

American agricultural abundance and technical knowledge are powerful forces for world peace. Our food and other farm products are helping economic growth in the developing countries of the world.

We accept foreign currencies from countries that need our farm products but are short of dollar exchange — provided they adopt self-help programs to develop their own economies. We also barter or trade our agricultural products for goods and services needed abroad by the Agency for International Development and the Defense Department.

## Farming is Food

Each of us in 1971 consumed these and other products of farm and ranch:

192 pounds of beef, veal, pork, lamb, and mutton.

50 pounds of chicken and turkey.

81 pounds of fresh fruits and 51 pounds of processed fruit and juices.

97 pounds of fresh vegetables and 60 pounds of canned or frozen vegetables.

557 pounds of dairy products (whole milk equivalent).

121 pounds of potatoes and 5 pounds of sweetpotatoes (fresh equivalent).

We can choose from as many as 6,000 different foods when we go to market — fresh, canned, frozen, concentrated, dehydrated, ready-mixed, ready-to-serve, or heat-and-serve form.

## Clothing

In 1971, we used:

4 billion pounds of cotton, or over 19 pounds per person. That's the equivalent of about 20 house dresses, or 30 dress shirts, for every man, woman, and child in the Nation.

About 1 1/3 pounds of apparel and carpet wool per person.

And research has given these natural fibers new qualities. Specially treated cotton resists everything from wrinkles to fire. Wool can be treated to keep it from shrinking when it is washed.

## Shelter

It takes 1 acre of healthy forest 20 years to grow the lumber for a five-room frame house.

Farmers and other small woodland owners control 59 percent of the Nation's commercial forest; three out of four forest owners are farmers.

## And Other Products

Paper. About 550 pounds of paper per person is used each year. This requires the net annual

wood growth from about 3/4 acre of commercial forest.

Wood pulp goes into everything from newspaper to low-cost paper houses; as nitrocellulose, it also helps propel space rockets. Tissues, book and fine papers, newsprint and industrial papers consume over 50 percent of pulp output, with industrial boards making up the balance.

## What Does the Farmer Receive?

### For Food

38 cents of each \$1 spent for U.S. farm-grown food.

65 cents of each \$1 spent for choice beef.  
2.2 cents for the corn in a 33-cent box of cornflakes.

2.6 cents for the wheat in a 25-cent loaf of white bread.

About 30 cents from a 59-cent 1/2 gallon of milk.

### Income from His Labor and Capital

Farm people in 1971 received:

\$51.6 billion in sales of crops and livestock, about \$17,950 per farm; with net income for farm operators of \$15.7 billion from farming, \$5,468 per farm.

\$2,975 of personal income per capita—\$1,540 from farm sources and \$1,435 from nonfarm sources. The average per-capita disposable income ("after taxes") of farm people in 1971 was \$2,692; that of nonfarm people came to \$3,623.

\$1.68 (1970) an hour income for farmwork. By contrast, 1 hour's work in a factory averaged \$3.36 and hourly earnings in food marketing averaged \$3.03. Again, the farm average includes a very wide range, with many "farmers" at very low levels.



# What Do We Spend For Food?

## From Our Income

About 16.0 percent of our disposable income went for food in 1971. We spent 24 percent of our disposable income for food in 1930 and 22 percent in 1940. In 1960, food took 20 percent of our take-home pay.

## In Terms of an Hour's Work

One hour's work in a factory buys much more food today than it did 30 years ago. Pay for 1 hour's factory labor would buy:

Round steak: 2.6 pounds in 1971; 1.8 pounds in 1940, or

Bacon: 4.5 pounds in 1971, 2.4 pounds in 1940, or

Milk: 10.6 quarts in 1971; 5.1 quarts in 1940, or

Oranges: 3.8 dozen in 1971; or 2.3 dozen in 1940.

These changes are partly a result of advances in agricultural efficiency, and partly a result of increases in incomes and wages of the population generally.

## As Compared With Other Products

Food costs have risen less since 1947-49 than most other consumer items in the cost-of-living index. For all items on the list, the increase in cost to 1971 was 73 percent. For all food, the increase was 61 percent. For housing, it was 81 percent, and for medical care 154 percent.

The farmer received 6 percent more for the farm food "market basket" than he did in 1947-49. The cost of farm-grown food has risen 39 percent, although processing and marketing costs have risen 71 percent.

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